

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services



Health Professional Shortage Area (HPSA) Physician Bonus, HPSA Surgical Incentive Payment, and Primary Care Incentive Payment Programs





This publication provides information about the following Medicare programs:

- Health Professional Shortage Area (HPSA) Physician Bonus Program;
- HPSA Surgical Incentive Payment (HSIP) Program; and
- Primary Care Incentive Payment (PCIP) Program.

Health Professional Shortage Area Physician Bonus Program

Overview

HPSAs are geographic areas, or populations within geographic areas, that lack sufficient health care providers to meet the health care needs of the area or population. HPSAs identify areas of greater need throughout the U.S. so that limited resources can be directed to those areas. Areas are designated as HPSAs by the Health Resources and Services Administration (HRSA) based on census tracts, townships, or counties. Designations are made for primary care, dental, and mental health.

The Centers for Medicare & Medicaid Services (CMS) provides a 10 percent bonus payment to physicians who furnish Medicare-covered services to beneficiaries in a geographic HPSA. The bonus is paid quarterly and is based on the amount paid for professional services.

Physicians who furnish services to Medicare beneficiaries in areas designated as primary care geographic HPSAs by HRSA as of December 31 of the prior year are eligible for the Medicare HPSA bonus during the current year. If an area does not have a geographic primary care HPSA designation but has a geographic mental health HPSA designation, only psychiatrists who furnish services to Medicare beneficiaries in the designated area are eligible for the 10 percent bonus. If an area has both a primary care and a mental health geographic HPSA designation, only one HPSA bonus will be paid.

For more information about primary medical care, dental, and mental health HPSA designation criteria and guidelines, visit <http://bhpr.hrsa.gov/shortage/hpsas/designationcriteria/index.html> on the HRSA website.

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Physicians and psychiatrists who furnish care in a Method II Critical Access Hospital (CAH) that is located within a geographic-based primary care HPSA and psychiatrists who furnish care in a CAH that is located in a geographic-based mental health HPSA are eligible for the HPSA bonus payment for outpatient professional services. If the physician has assigned his or her billing rights to a Method II CAH, the CAH will receive the bonus payment.

For more information about CAH billing, refer to Chapter 4 of the “Medicare Claims Processing Manual” (Publication 100-04) located at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-IOMs.html> on the CMS website.

Payment

The HPSA physician bonus payment is made automatically to physicians who furnish services to Medicare beneficiaries in a ZIP code on the list of ZIP codes eligible for automatic HPSA bonus payment. This list is updated annually and is effective for services furnished on and after January 1 of each calendar year.

Physicians who furnish services to Medicare beneficiaries in a geographic HPSA that is not on the list of ZIP codes eligible for automatic payment must use the AQ modifier, “Physician providing a service in an unlisted Health Professional Shortage Area (HPSA),” on the claim to receive the bonus payment. Services that are submitted with the AQ modifier are subject to validation by Medicare. Physicians must ensure that the modifier is used only for services provided to a Medicare beneficiary in an area that is designated as a geographic primary care HPSA (or a mental health geographic HPSA for psychiatrists) as of December 31 of the prior year.

An area may be eligible for the HPSA bonus payment but the ZIP code may not be on the list because:

1. It does not fall entirely within a designated full county HPSA bonus area;
2. It is not considered to fall within the county based on a determination of dominance made by the U.S. Postal Service;
3. It is partially within a non-full county HPSA; or
4. Services are provided in a ZIP code area that was not included in the automated file of HPSA areas based on the date of the data used to create the file.

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For ZIP codes that are not on the automated payment list, visit the following web pages for assistance in determining whether an area is in a geographic-based primary care or mental health HPSA:

- The HRSA Geospatial Warehouse at <http://datawarehouse.hrsa.gov> on the HRSA website;
- The American FactFinder at <http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml> on the U.S. Census Bureau website; and
- The Geocoding System at <http://www.ffiec.gov/Geocode/default.aspx> on the Internet.

For more information about the HPSA Physician Bonus Program, visit <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HPSAPSAPhysicianBonuses> on the CMS website.

Health Professional Shortage Area Surgical Incentive Payment Program

Under the Affordable Care Act, effective for services furnished on and after January 1, 2011, general surgeons who furnish a 10- or 90-day global surgical procedure in a ZIP code located in a HPSA are eligible for a 10 percent HPSA bonus payment and a 10 percent HSIP.

For more information about the HSIP Program, visit <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HPSAPSAPhysicianBonuses> on the CMS website.

Primary Care Incentive Payment Program

Under the Affordable Care Act, effective for services furnished on and after January 1, 2011, the following physician and non-physician specialties are potentially eligible for a PCIP of 10 percent of paid charges for Medicare Part B primary care services furnished to beneficiaries:

- Family, internal, geriatric, and pediatric medicine physicians;
- Clinical nurse specialists;
- Nurse practitioners; and
- Physician assistants.



Only those practitioners enrolled in Medicare with one of the specialties listed on page 4 and whose primary care services accounted for at least 60 percent of his or her paid charges under the Medicare Physician Fee Schedule (excluding hospital inpatient care and emergency department visits) during the designated period are eligible for the PCIP. Eligibility for the PCIP is determined on an annual basis.

The PCIP is paid on a quarterly basis and is in addition to other applicable physician incentive payments.

The chart below lists the primary care services that are eligible for the PCIP.

| Service | Current Procedural Terminology (CPT) Code |
|---|---|
| New and Established Patient Office or Other Outpatient Visits | CPT codes 99201 – 99215 |
| Nursing Facility Care Visits and Domiciliary, Rest Home, or Home Care Plan Oversight Services | CPT codes 99304 – 99340 |
| Patient Home Visits | CPT codes 99341 – 99350 |

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Resources

For more information about the HPSA Physician Bonus, HSIP, and PCIP Programs, refer to Chapter 12 of the “Medicare Claims Processing Manual” (Publication 100-04) located at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-IOMs.html> and the “Reimbursement” section of the Medicare Learning Network® (MLN) publication titled “MLN Guided Pathways to Medicare Resources Intermediate Curriculum for Health Care Providers” booklet at http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNEdWebGuide/Downloads/Guided_Pathways_Intermediate_PartA_Booklet.pdf on the CMS website. To find Medicare information for beneficiaries (e.g., Medicare basics, managing health, and resources), visit <http://www.medicare.gov> on the CMS website.



This fact sheet was current at the time it was published or uploaded onto the web. Medicare policy changes frequently so links to the source documents have been provided within the document for your reference.

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